

# **EXHIBIT 1**



**COMMONWEALTH OF THE BAHAMAS**

**IN THE MAGISTRATES COURT**

**Criminal Side**

**PETER NYGARD**

**V**

**LOUIS BACON**

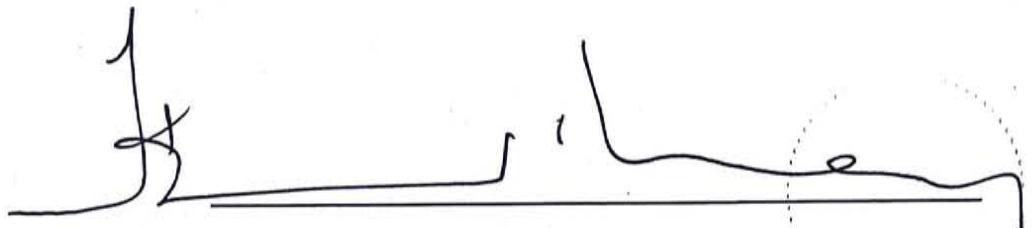
**NOLLE PROSEQUI**

WHEREAS LOUIS BACON, JERRY FORRESTER, BRADLEY PRATT, TIMOTHY SAWA, MORRIS KARP, BOB McKEOWN, PERICLES MAILLIS AND MARY BRATHWAITE stand charged before the Magistrates' Court for the offences of: **ATTEMPTING TO ACCUSE ANOTHER OF AN INFAMOUS OFFENCE FOR THE PURPOSE OF EXTORTION**, contrary to Section 83 and Section 346 (2) of the Penal Code, Chapter 84; **ATTEMPTING TO THREATEN TO ACCUSE ANOTHER OF AN INFAMOUS OFFENCE FOR THE PURPOSE OF EXTORTION**, contrary to Section 83 and Section 346 (2) of the Penal Code, Chapter 84; **CONSPIRING TO ACCUSE ANOTHER OF AN INFAMOUS OFFENCE FOR THE PURPOSE OF EXTORTION**, contrary to Section 86 and Section 346 (2) of the Penal Code, Chapter 84; **CONSPIRING TO THREATEN TO ACCUSE ANOTHER OF AN INFAMOUS OFFENCE FOR THE PURPOSE**

**OF EXTORTION**, contrary to Section 86 and Section 346(2) of the Penal Code, Chapter 84; **WITH INTENT TO DEFRAUD BY REMOVING BOUNDARY MARKS AND A SIGN TO CHANGE CERTAIN EASEMENT RIGHTS BELONGING TO PETER NYGARD**, contrary to Section 355(1) of the Penal Code, Chapter 84; **INTENTIONAL LIBEL OF ANOTHER**, contrary to Section 315(2) of the Penal Code, Chapter 84; **CONSPIRING TO ACCUSE ANOTHER OF AN INFAMOUS OFFENCE FOR THE PURPOSE OF EXTORTION**, contrary to Section 86 and Section 346(2) of the Penal Code, Chapter 84 and **CONSPIRING TO ACCUSE ANOTHER OF AN INFAMOUS OFFENCE FOR THE PURPOSE OF EXTORTION**, contrary to Section 86 and Section 346(2) of the Penal Code, Chapter 84.

**NOW THESE** are to authorize and require you to enter in the record, a statement that the proceeding against **LOUIS BACON, JERRY FORRESTER, BRADLEY PRATT, TIMOTHY SAWA, MORRIS KARP, BOB McKEOWN, PERICLES MAILLIS AND MARY BRATHWAITE** is to be discontinued by my direction.

DATED the 19<sup>th</sup> day of April, A.D., 2012

A handwritten signature in black ink, appearing to read "Attorney General", is written over a horizontal line. The signature is fluid and cursive, with a large, stylized 'A' at the beginning.

**ATTORNEY - GENERAL**

# **EXHIBIT 2**

**This exhibit is an .MPG file**

# **EXHIBIT 3**

## Transcript created by Merrill Legal Solutions

Event: The Fifth Estate - Larger Than Life

Date: Originally broadcast 9 April 2010

Subject: Peter Nygård

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BOB MCKEOWN: The Fifth Estate. His name is Peter Nygård.

PETER NYGARD: It's like a dream come true. You were all service here. Where would I love to live? Where would I -- how would I like to live?

BOB MCKEOWN: Almost everything about him seems larger than life. There's the fashion business, clothes, millions of women, and it's made him one of the richest people in Canada. There's his palatial tropical estate and the lavish lifestyle he lives there and preserves on video. But Peter Nygård's success has a price and according to some of his employees they're the ones who pay.

DANA NEAL: The verbal and psychological abuse and the intimidation.

ANAKAY ARCHER: I tell people, working there was like working at a mini brothel.

MICHELLE MAY: I don't care how -- how powerful you are, how rich you are, it still is no excuse for treating people inhumanely.

BOB MCKEOWN: On this edition of the Fifth Estate, think your boss is difficult? Think again.

PAT PROWSE: The truth has to come out and people need to know what they are supporting when they buy those products.

BOB MCKEOWN: Hello, I'm Bob McKeown, welcome to the Fifth Estate. In a way it's surprising if you don't know the name Peter Nygård. As a fashion designer and supplier, he's the best-selling in Canada and among the

top in North America, alongside the likes of Ralph Lauren and Calvin Klein. His products are sold around the world. And over the years Peter Nygård's image as a public figure has been carefully crafted, the self-made man, the corporate visionary, the Olympic athlete, the philanthropist with awards declaring him an exemplary Canadian; it's all part of the Nygård brand.

But for some who have worked inside his company, behind that public image there's another Peter Nygård.

And this is where image and reality intersect: Nygård Cay in the Bahamas, Peter Nygård's sprawling Mayan temple of a house with a reported 22 bedrooms, 38 bathrooms, 144,000 square feet, renowned as one of the most opulent residential properties in the world.

MALE SPEAKER: Party central for royals like Fergie and Prince Andrew, Hollywood honchos like De Niro and Connery. Even Oprah visited and later exclaimed, "I'm not living large enough".

BOB MCKEOWN: Living large is no problem for Peter Nygård. Nygård Cay has been a fixture on shows like ABC's Life of Luxury and Lifestyles of the Rich and Famous.

TALK SHOW GUEST: The swimming pool has a big piece of glass down the middle of it so that on one side you can swim with dolphins and on the other side are the sharks that you can look at through the glass.

JOAN RIVERS: Who owned this? Who owned this house?

TALK SHOW GUEST: He's single as well.

JOAN RIVERS: Gay?

TALK SHOW GUEST: No.

JOAN RIVERS: No, I mean, you know --

TALK SHOW GUEST: Exactly the opposite.

JOAN RIVERS: The opposite.

BOB MCKEOWN: Indeed, if Peter Nygård's home isn't signature enough, there's always the entourage of beautiful young women he's rarely seen without, like here on his website. So when Nygård calls himself the quintessential self-made man he may well be right, especially considering where he got his start.

BOB MCKEOWN: It's one of the great Canadian rags to riches stories, especially in the business known as the rag trade, and it begins in the quiet Manitoba town of Deloraine about four hours outside Winnipeg, it was in 1952 that the Nygård family came here, newly-arrived immigrants from Finland with just a few worldly possessions and two children, a younger daughter and a nine-year-old boy named Peter.

BOB MCKEOWN: On his website, Nygård proudly describes his family's first home.

PETER NYGÅRD: We lived in a converted coal bin, we didn't have running water, we didn't have heat, we lit up a stove that was in the middle of the room.

GRANT CASTLES: It was the only accommodation in town at the time and so they were very appreciative of that.

BOB MCKEOWN: Half a century later, local businessman Grant Castles had the park in the middle of Deloraine named for the local boy made good and the inspirational story he left behind.

GRANT CASTLES: Here's a great family that came to our community first and then went on, you know, from there.

PETER NYGARD: If you want to be the best in the world that's all you can pursue.

BOB MCKEOWN: By the 1980s, Peter Nygård had burst on to the Canadian business scene, growing a small Winnipeg fashion house into a national supplier of women's clothing.

PETER NYGARD: And everybody's telling me that half the population is under the age of 25 and unless you're going after this business you're not even in this garment business and, you know, I sort of cleverly figured out that if half of them is under 25 the other half must be over 25, you know, and if everybody's going after these under-25s then maybe I should go over the 25.

BOB MCKEOWN: Making moderately-priced fashion accessible to mature women was brilliant strategy and hugely profitable.

PETER NYGARD: I love these rich -- deep rich colours, you know.

BOB MCKEOWN: With 200 stores in Canada, thousands of employees, and yearly revenues worth \$1 billion, he's a regular on the list of the 100 wealthiest Canadians. It's all documented here on his website, the repository for TV coverage, photo ops and press events that have shaped Peter Nygård's public face: confidant to heads of state; friend to movie stars; supporter of worthy causes like breast cancer; and patron of national sports teams in the Bahamas, his adopted home.

FRANK WATSON: Oh, I think he loves the Bahamas, there's no question about that, but is he in tune? Peter marches to his own drum.

BOB MCKEOWN: Frank Watson is the former Bahamian Deputy Prime Minister and a tennis partner of Nygård, but even he acknowledges his friend has another side.

FRANK WATSON: He is a very aggressive person, he is very demanding, and some people think that maybe he shouldn't have these parties with all of these girls around, you know, those kinds of things probably have touched different people in different ways.

BOB MCKEOWN: It's not touted on his website or in his press releases, and it may never be known by most of his employees around the world, but for those who have worked inside his company and close to him, Peter Nygård could be very different from the man who describes himself as a coach and mentor to his staff, and, as you will see, what happened to some of them raises issues that are often hidden by

silence and secrecy about workplace bullying and harassment and the toll they can take.

PAT PROWSE: 90% of it was great; it was the 10% that wasn't great that, if you could put them on a scale and if the 10% was here, it was like "boof"; it just way outweighed that other 90%.

PAT PROWSE: Okay, come on, Tim(?).

BOB MCKEOWN: For three years, Patrick Prowse was Nygård's director of human resources, he says he soon realised the biggest part of his job would be helping employees cope with the words and actions of their boss.

PAT PROWSE: He would find fault with anything that you did. There were marathon sessions of screaming at people: "That's absolute bullshit. There's no reason for it. You are the worst fucking manager I've ever dealt with. I don't know why I don't fire you right now. I should fire your fucking arse out this door right now." And keeping in mind these types of things are said in the presence of other employees, anywhere from half a dozen and up.

BOB MCKEOWN: And the company was strictly controlled in other ways: no personal effects like family photos allowed in offices; employees penalised if they were even a second late; expected to work hours of overtime often with no compensation; but the worst was Peter Nygård's temper.

Dana Neal was also in the human resources department. He says he was one of the lucky few to avoid what he saw others endure.

DANA NEAL: Just the abuse, the verbal and psychological abuse and the intimidation. The stress and the humiliation that people are subjected to that don't deserve it. And that and the way that it is protected enabled and justified.

BOB MCKEOWN: When she applied to become the chief flight attendant on Nygård's private jet, Kim Lapalm(?) didn't know about any of that.

KIM LAPALM(?): I really wanted this job because when I read about this person I read how he likes to challenge people and how he wants people to be their personal best.

BOB MCKEOWN: Lapalm had experience in both corporate and commercial aviation. She decided she and the job were a good fit. Peter Nygård must have thought so too. He hired her. After the break, for Kim Lapalm it was about to become a case of, "Be careful what you want".

(advertisement break)

BOB MCKEOWN: It's one of Peter Nygård's most-prized possessions, his private jetliner, the Boeing 727 with his name on the fuselage and the master bedroom suite, shown here in a home movie hosted by chief flight attendant Kim Lapalm.

KIM LAPALM: This brand new N-Force Boeing 727-100, what would an aeroplane be without a crew? This is the private ...

BOB MCKEOWN: Nygård's plane carried a crew of six, three pilots, a security director, and two flight attendants. It was a job Lapalm badly wanted.

KIM LAPALM -- accompanied with our guest seating, all guest seats are swivel chairs and fully recline.

Reading about him, I was very impressed, I was like, "Wow, I think this will be a great opportunity to work for such a dynamic man. I'd like to be in that world."

BOB MCKEOWN: There was something else she was about to discover, which executives like Dana Neal already knew, Peter Nygård had many travelling companions, like those arriving for his birthday party in this company video. Neal says there were many other women at almost every Nygård event.

DANA NEAL: There's not really a boundary between sort of his work and his play, you know, they're kind of all sort of bundled into one, so, you know, he's always -- you know, he's around -- he has his girls around.

BOB MCKEOWN: Define "his girls"?

DANA NEAL: His girls, I guess his entourage, the girls that accompany him to his events, you know, some are models, some are -- are other people, I mean with -- I mean some of the guests have Googled their names that arrived at the New York office and they were model entertainers.

BOB MCKEOWN: On her first day as chief flight attendant, Kim Lapalm was on the 727 waiting to depart New York when Nygård's female guests began to arrive.

KIM LAPALM: The girls took over the bedroom and to their delight came out topless and, "Wee, la-la-la-la-la, let's put the music on and let's party", and I'm like serving them champagne, not looking below the waist.

BOB MCKEOWN: When Peter Nygård boarded she says he and the women retired to the bedroom.

KIM LAPALM: I have flown for many other people and in my past life I feel that I'm fairly open-minded as long as I'm not involved, if they infringe on my job then it becomes something that I would be concerned about.

BOB MCKEOWN: That's exactly what was about to happen. After the 727 took off, Lapalm heard Nygård's angry voice from outside the bedroom, berating her junior flight attendant.

KIM LAPALM: His hair is wild and dishevelled, his bathrobe is wide open, and he's got her up like this so she's sequestered against the door and he's screaming at her, and he's like, "God damn it, you stupid fucking bitch, how many times do I have to tell you, get it through your head, you're nothing, you're crap, you're garbage".

BOB MCKEOWN: She says when she tried to calm things down she became her boss's target.

KIM LAPALM: "I am god, do you not understand, I am god." And his face is all red, he's got veins coming out of his neck.

BOB MCKEOWN: On that scale of level 1, 2, 3 and 4, for passengers who are out of control, what level was he often at?

KIM LAPALM: A 5.

BOB MCKEOWN: Off the charts?

KIM LAPALM: Off the charts.

BOB MCKEOWN: She says, even when the flight security director stepped in, Nygård's tirade continued.

KIM LAPALM: And he's standing there and Ross said, "Sir, in all due respect, I hold a security licence and I have an FAA licence and your aircraft is governed under an FAA licence and I will not have one more word of abuse out of you for abusing your aircrew. You are officially abusing aircrew." And he goes, "Oh, this is my plane, I can do whatever the hell I want".

BOB MCKEOWN: In both Canada and the US, the owner of a private aircraft is not in command of that plane when it's in the air. Peter Nygård's 727 was registered by the American Federal Aviation Administration, the FAA, whose regulations are very clear,

"No person may assault, threaten, intimidate or interfere with a crew member."

Kim Lapalm says she complained about what she thought was intimidating or unsafe: nudity, verbal abuse, disregard for the minimum rest time a flight crew must take. Through his lawyers, Peter Nygård denies any of that happened. Kim Lapalm says that at the time he told her, if she didn't like it, quit.

KIM LAPALM: I couldn't just quit, I was too financially bound to quit. I had gone through a divorce, I had gone through a lot, and I had a lot of debt and I could not walk away from it.

BOB MCKEOWN: Nygård's former human resources director Pat Prowse says some female employees were especially vulnerable.

PAT PROWSE: A wonderful young lady from Winnipeg had a history with him of him continuing to hit on her. She was 24-25, he's whatever, 65, and we were in New York together for a couple of weeks and it got to the point that she was afraid to go upstairs because he was hitting on her, he had rubbed his hand sort of up her leg on to her bum --

BOB MCKEOWN: And then she was asked to work at Nygård Cay.

PAT PROWSE: And this young woman ended up in my office not long after this, here in Winnipeg, absolutely, I'm going to say, hysterical, crying, sobbing, because they were trying to force her to go to the Bahamas and work for him in the Bahamas where that sort of thing happens and it's even worse, and she was afraid, she didn't want to go, she was afraid she

was going to lose her job, and I had to talk her through it. I had to get -- help her get her mum on the phone to help calm her down; that's how bad it was.

BOB MCKEOWN: When we return, what happens behind the gates of Nygård Cay.

(advertisement break)

BOB MCKEOWN: The islands of the Bahamas may have an abundance of sand, surf and fun in the sun, but since Peter Nygård began building his home on Nygård Cay in 1987, it's had nothing to rival this. He calls it his pride and glory and gives frequent tours on TV and in his own video productions.

PETER NYGÅRD: Every single guest expects it to be great and every single guest says, "I had no idea it was this great".

BOB MCKEOWN: In June 2003, Nygård hired a new managerial team for his estate, an American husband and wife named Alan and Michelle May with experience in the hospitality industry and cruise ships.

MICHELLE MAY: I was thinking, "Boy, this might be just a kind of fabulous and wondrous place to work".

BOB MCKEOWN: But the wonder wouldn't last. As soon as they arrived the Mays were put to work, virtually non-stop for weeks to come.

MICHELLE MAY: You usually worked 16-18 hours a day, easy, very easy. When it was getting to be about three weeks, it was -- we -- I said, "Alan, I need to get off this resort", and he actually went to Mr Nygård to ask if we could and he said, "No". And it's like, "What do you mean, no?"

BOB MCKEOWN: If they were trapped in paradise, they weren't alone.

MICHELLE MAY: I know this sounds very bizarre in this day and age, but no one, absolutely no one, once they arrived on the compound, could not leave the compound unless Mr Nygård gave his personal permission to leave. Unless he granted that, you had to stay on the compound.

BOB MCKEOWN: And even if they were allowed beyond the gates, they ran the risk of being picked up by Bahamian authorities because the Mays didn't have work permits. They say they had been told to tell immigration they were tourists on a pleasure trip. Alan May tried to speak to Peter Nygård about it.

ALAN MAY: Well I asked about some kind of paperwork and our documentation that I can carry in my pocket, and that's probably a question I shouldn't have asked, because he just got red in the face, he said, "Didn't I just tell you that your work permit is being taken care of; that's all you need to know. So I suggest you get back to work." And that's how it was left.

BOB MCKEOWN: Nygård could be charming, but as the weeks unfolded they began to see more of that other side, for example the system of fines for

various offences, like the worker regularly docked pay if guests were bothered by mosquitoes while playing tennis.

BOB MCKEOWN: The implication being the employee should have kept the guests from being bitten somehow?

ALAN MAY: Yes, exactly. And a girl went [slap] like this and he was on the tennis court, he stopped the whole game and he told the girl, which was the daughter of one of the players, rich players that he was playing, he said, "Did you just get bit by a mosquito?" and she said, "Yes", so there was a gentleman there named Anthony --

MICHELLE MAY: From Jamaica.

ALAN MAY: -- from Jamaica, and he said, "Anthony, didn't I tell you to spray this area?" and he said, "Mr Nygård, I did". He said, "That just cost you \$25".

BOB MCKEOWN: For the lower-paid employees earning hourly wages, a \$25 fine meant they'd just been docked five hours of pay. One employee was fined so often he ended up earning just 87 cents an hour. When Michelle May tried to intervene, she says Nygård's angry rant went on for two hours.

MICHELLE MAY: We call them the tirades; he went into this screaming match with me for, I'm serious, a couple of hours, I couldn't even get a word in edgewise.

BOB MCKEOWN: As hard as Peter Nygård may be on his employees, he's famous for pampering himself and his friends, especially at the weekly social events known as pamper parties. In another of his videos, Nygård and female guests enjoy a day of play every Sunday, as many as 100 women are invited for beach sports, massages, dancing and drinks. Karaoke is a Nygård favourite.

Anakay(?) Archer was hired as an events co-ordinator at Nygård Cay, but soon found herself co-ordinating something else.

ANAKAY ARCHER: I'm just going to be plain speaking without trying to sugar-coat it. I tell people working there was like working at a mini brothel.

BOB MCKEOWN: Archer learned she was expected to recruit females for Peter Nygård's parties.

ANAKAY ARCHER: So he's there and he's got his main one on one hand and then he's got maybe one there and then another one, and then all the other women that are saying, you know, very loosely and vulgarly -- you know, vulgar -- very vulgar-like, you know, in front of them, and, you know, him enjoying it.

BOB MCKEOWN : The Mays say, when they were at his estate, all the parties followed the same basic plot: women often told that Nygård was scouting for models.

MICHELLE MAY: They would have a barbecue and they would be supplied with lots and lots of food, but also lots of lots of alcohol.

ALAN MAY: And lots and lots of drink. Mm hmm.

MICHELLE MAY: And by the time it got to be sunset --

ALAN MAY: As it got to be evening, they went into the disco, and when things started to get wild and Peter would be coming and dancing and girls would be taking off their tops and just a lot of interaction sexually in that particular environment.

MICHELLE MAY: So by the time Peter Nygård made the entrance, the girls were pretty sloshed.

ALAN MAY: Pretty, pretty sloshed.

BOB MCKEOWN: According to the Mays, Nygård referred to female guests as packages. They say at parties like this, captured on video for Nygård, many were still in their teens, often poor and smitten by the hope they'd catch Peter Nygård's eye and win a modelling job, something Michelle says she never saw happen.

MICHELLE MAY: The pamper parties had nothing to do with trying to find a model. It was basically to procure women so that he would have the pick of the litter to decide who he was going to bed for the night and that's how it would end.

BOB MCKEOWN: Along with the screaming matches. It's why Anakay Archer eventually quit.

BOB MCKEOWN: And when that's part of your job, and it's not what you signed on for as events co-ordinator, what's the response?

ANAKAY ARCHER: A lot of swallowing my pride, a lot of embarrassment.

BOB MCKEOWN: Michelle May says she too was troubled by her role in Peter Nygård's sex life.

BOB MCKEOWN: Why not? Why shouldn't he be allowed to live his life the way he wants?

MICHELLE MAY: Certainly I don't pretend to be, Alan or I, the moral police; that's not our intent, and if Mr Nygård wants to live his life the way he's living it, it's perfectly up to him. However, this is our workplace, he basically hired us for a job that he described something totally different than what it actually was.

BOB MCKEOWN: Nygård headquarters in Winnipeg kept hearing reports about staff exposed to what should have been their employer's personal life. Former HR executive Dana Neal got first-hand experience during one Nygård Cay party.

DANA NEAL: And then he brought a woman on to his lap and pulled out her breasts and shook them in my face and bent her over and put his hand under her skirt and put his fingers into her vagina and told me that he had been taking care of her since she was 17.

BOB MCKEOWN: Former Nygård human resources director, Pat Prowse.

PAT PROWSE: There's the sexual harassment that goes on, and then there's what I would say is different is workplace harassment, and workplace harassment is basically, if you're put in a position where you don't feel safe, you're being harassed, and that happens constantly there, and that's not -- I don't want to climb that ladder, that's I'm being screamed at, I'm being demeaned, and these things are being done in front of all these other employees and that's wrong; that's harassment.

BOB MCKEOWN: Without judging the legality of what goes on inside Peter Nygård's company, it's clear that workplace harassment is an emerging issue in occupational health and safety, and legislation reflects that. Across the country, sexual harassment is governed by human rights law. Provinces are increasingly bringing in labour law to prohibit bullying and abuse in the workplace. In Ontario, home of Nygård Canadian headquarters, there's a new law this year that makes illegal any conduct of comments that are vexatious or unwelcome. In New York State, home of Nygård world headquarters, a similar bill is now pending. Which brings us back to Nygård Cay where bullying or abuse of employees, or sexual situations like those at Peter Nygård's parties, do not appear to be specifically covered by Bahamian labour law. This video was produced for Nygård on his birthday in 2007, labelled his 50th, in reality he was already into his 60s. The video was distributed to some of his staff then to prospective employees; it was obtained by the Fifth Estate. It was on Peter Nygård's birthday in 2003 while the Mays worked there that a special package arrived at

Nygård Cay, one that has since become controversial. Arrangements were made to bring a young woman from the Dominican Republic, another of the many attracted by the parties and the promise of a modelling job.

MICHELLE MAY: I think she was like 17.

ALAN MAY: Yeah, she was 16 or 17.

MICHELLE MAY: She was 16 and about to become 17, and she could hardly speak any English and --

ALAN MAY: Thought she was coming to be a model.

MICHELLE MAY: She thought she was coming to be a model.

BOB MCKEOWN: According to the Mays, one night after dinner the teenager retired to her room when something happened. They say she was startled and frightened and that she eventually found them.

MICHELLE MAY: She just panicked and just started screaming and crying and she ran out and she actually ended up finding us, right?

ALAN MAY: Hm, and she sat right next to me and she just -- tears were rolling down and I put my arm around her and I said, "What's wrong?" and she says, "I have to get out of here. I have to get out of here."

MICHELLE MAY: In her broken English.

ALAN MAY: Yeah, and I came and talked to you, I think, and the only place I knew -- I knew a place where to hide her where nobody would look.

BOB MCKEOWN: They say she especially wanted to be kept hidden at night.

BOB MCKEOWN: And we've spoken to others who also told us something happened, but they don't know exactly what. Through his lawyers, Peter Nygård calls it all a fictitious event, he does acknowledge there was a model from the Dominican Republic and he says, when she arrived her age was registered as 18. He insists he did not act in any way inappropriately towards her and he sent us statements of support from two former employees, his ex-girlfriend and the bodyguard who claims he was outside Nygård's room all night, every night.

Most recently, his lawyers have given us a statement from the girl in question in which she calls her experience at Nygård Cay always pleasant and Peter Nygård a real gentleman. We had previously sent our own representatives to try to get her side of the story in the Dominican Republic but they couldn't locate her. Her statement says she doesn't remember any names, yet somehow she knows she never met the Mays, and she confirms what Peter Nygård said; that she was registered as being 18 years old. But, according to the birth records we've found that age wasn't true, in fact she was really 16, going on 17, just as Michelle May remembered.

Back in 2003, after everything that happened, the Mays say they knew they would have to leave Nygård Cay; the question was how.

When we come back, to get through those locked gates they would need the permission of the man who called himself god on Nygård Cay.

(advertisement break)

BOB MCKEOWN: November 2009, Time Square, New York, and Peter Nygård has arrived in every sense of the word. It's the opening of his new company headquarters and flagship store, the fairytale has come true, from the converted Manitoba coal bin to billboards along Broadway, his face now on some of the most famous real estate in the world.

BOB MCKEOWN: Over the years, the official version of that rags-to-riches story has been closely guarded, often legally. Nygård has dealt with former employees who have complained about sexual harassment or not being paid for hundreds of hours of overtime. He has sued members of the media who have dared to discuss him. Lawyers' fees it seems are no obstacle to Peter Nygård.

BOB MCKEOWN: Then there's the case of Alan and Michelle May. Remember, they'd been hired in the summer of 2003 as managers at Nygård Cay. Soon, reality began to sink in.

MICHELLE MAY: Once I'd realised I was kept against my will, I was crying almost every single solitary night, and I was thinking, "What did we get ourselves into", and I couldn't -- you know, I was -- I mean actually I went into a tailspin, I just can't understand, at my age, and my intellect, and when

I thought I was -- at least had some, you know, knowledge of the world and the way it works, to have been hoodwinked into accepting an offer to work at Nygård Cay. I had started questioning my own sanity.

BOB MCKEOWN: It was then that the Mays say they began making copies of emails and other records that could back up the treatment they and other employees at Nygård Cay received. They acknowledge the documents belong to Peter Nygård.

BOB MCKEOWN: So you knew you were taking his property, you knew that?

MICHELLE MAY: Yes, we did, we knew that.

ALAN MAY: Mm hmm, yeah, we know that.

MICHELLE MAY: Think about it, who would have believed us? Who would have believed us? When we finally decided that this is what we were going to do, we knew that we needed to prove that what we experienced and what other people had experienced down there actually was happening.

BOB MCKEOWN: They kept it all in a cardboard box in their closet until the day they decided that, with or without permission, they were going to leave Nygård Cay. With the help of another employee, a man named Sherman, they loaded their possessions on to a pickup truck, but security stopped them at the front gates. Peter Nygård was on his way to talk to them.

MICHELLE MAY: He was going to come down and at that point we're like, "We're not having any of that".

ALAN MAY: So we knew Peter and whoever he is bringing with him is coming down so I said, "I know I can squeeze through that gate" and I jumped out of the truck, you were in the truck, so I went through the gate and I squeezed through and pushed the outside code that I knew and go to Sherman, "Go".

BOB MCKEOWN: The Mays left the Bahamas but they didn't stay silent, they sued Peter Nygård. In their lawsuit, the Mays claimed nearly a year's worth of lost wages, arguing they had been misled about their jobs and working conditions. It would be a three-year legal fight over thousands of documents.

PETER NYGÅRD: Because then in August all our records were stolen and everything else and --

BOB MCKEOWN: In this videotaped deposition, Peter Nygård accuses the Mays of trying to profit from his company property.

PETER NYGÅRD: -- but everything to do with trying to set up a lawsuit out of it and trying to use extortion and blackmail and stealing of records and everything that is so very distasteful in this whole issue.

BOB MCKEOWN: Questioned by the Mays' lawyer, he denies responsibility for discrepancies like the absence of work permits. Nygård insists he had no idea so many of his staff were working illegally.

PETER NYGÅRD: And I was upset that all of these good people would even have to get in this predicament, I said, "You know, Patty(?), it is absolutely a lot we have work permits for this now, do you have trouble --

BOB MCKEOWN: As for employees who were fined in violation of Bahamian labour law, like the worker who ended up making just 87 cents an hour, Nygård again claims no knowledge, but the documents show time and again he was the one doing the fining.

PETER NYGÅRD: I was not happy with such an arrangement because it would be the fines of the labour laws and that would not be something I would endorse.

BOB MCKEOWN: But in the end Peter Nygård's own company documents told quite a different story. Under oath, his corporate representative admitted the company had fined employees for more than a year and that Nygård himself often reviewed pay stubs showing that, and she said it was company practice for staff to deceive immigration when entering the country, saving thousands of dollars by avoiding work permits.

BOB MCKEOWN: You should know that, during that lawsuit, and as we prepared this report, Peter Nygård's lawyers have challenged the credibility of Alan and Michelle May, calling them untrustworthy, dishonest and unreliable. They've questioned the résumés the Mays submitted to

get their Nygård jobs. In fact the Mays admit résumé inaccuracies.

Nygård lawyers accused the Mays of falsifying financial documents in a failed business deal about a decade ago. The Mays deny that.

More recently, a court in St Lucia found the Mays liable for legal costs for making false statements to investors in a real estate project.

Again, the Mays dispute it. But what Nygård's lawyers have not done is to disprove the details found in his own company documents that reveal how Alan and Michelle May and others at Nygård Cay were treated.

BOB MCKEOWN: And, speaking of credibility, consider this: remember we told you that Peter Nygård's public image has been carefully crafted over the years; the record preserved on his website. Let's apply the credibility test to some of that.

For example, the Keeping America Strong award from a US television show called Heartbeat of America, recognition that Nygård's website says he received for his patriotism and perseverance in the fight against terrorism after 9/11. But it turns out Heartbeat of America is really a kind of infomercial. Winners of the Keeping America Strong award typically pay \$15,000.

And speaking of résumés, as Nygård's lawyers do about Alan and Michelle May, on his website Peter Nygård's résumé seems unequivocal, it states that he was a member of the Canadian Olympic yachting team 1976. Well he was a good sailor but he lost in the Olympic trials and the Canadian Yachting Association says, "Peter Nygård was not a member of the 1976 Canadian Olympic team".

In the end, under financial pressure, Michelle and Alan May settled their lawsuit against Peter Nygård, receiving a modest amount of

money and agreeing to return the box of evidence, but they are still allowed to talk about what they went through at Nygård Cay.

MICHELLE MAY: What we experienced, no human being should ever have to go through, I don't care how powerful you are, how rich you are, it still is no excuse for treating people inhumanely.

BOB MCKEOWN: Dana Neal spent two years in Nygård's human resources department watching the impact of his management and lifestyles.

DANA NEAL: It's one thing if you have a lifestyle and, you know, you want to do whatever you want to do in the privacy of your own home within the company of your friends and consenting adults and you keep it that way, but when it overlaps into, you know, your employees, and you're pulling your employees out of, you know, their regular jobs and duties to have to be a part of or exposed to it, you know, just the screaming and the tirades and the business stuff aside, it's -- yeah, it's very wrong. I mean that's part of the reason why I'm here.

BOB MCKEOWN: Within the past year, when Neal and former HR director Pat Prowse came forward to relate their own experiences with Peter Nygård, he sued each of them for alleged breaches of confidentiality.

BOB MCKEOWN: Do you think you've got any reason to be fearful?

DANA NEAL: I think they will do everything and anything in their power to discredit and hurt me and I think that those mechanisms are well underway.

BOB MCKEOWN: By what means?

DANA NEAL: The director of public relations invited my girlfriend out for lunch and told her about the stuff that was going on and said that they were going to take away her house because we work together and we're involved and --

BOB MCKEOWN: So by suing you they were going to impoverish you to the degree that you'd lose your house?

DANA NEAL: Exactly. I mean but it's actually her house, it's not mine, so they were going to take away her house.

BOB MCKEOWN: What's the worst-case scenario for you here; what could the cost of that ultimately be?

PAT PROWSE: Well there's going to be legal fees, the biggest issue would be if there was no story and none of this came out, and then what have I done? You know, I guess I could look myself in the mirror and say, "You did everything you could", and I could feel good about that, but the bottom line is the truth didn't come out and I think that's the most important thing, is the truth has to come out and people need to know what they're supporting when they buy those products.

BOB MCKEOWN: As for the accusations that she and the other ex-employees are telling lies about Nygård to get revenge, former chief flight attendant Kim Lapalm is adamant.

KIM LAPALM: He can threaten me, he can take me to court, let him, because I know -- I know the truth. I saw a selfish manipulating conniving abusive --

verbally abusive man who broke, not only labour laws, he broke human souls and spirits; that's how I see him.

BOB MCKEOWN: On the subject of lawsuits, Peter Nygård has already sued the Fifth Estate in two jurisdictions. In New York he tried to get possession of video we'd shot, he lost, and he sued in Winnipeg trying to stop this story from going to air. Through his lawyers, Peter Nygård declined our request for an on-camera interview, asking instead for a specific list of questions in writing, which according to CBC policy we declined. However, we did send him letters, which left little doubt what we want to talk about.

And there's something else, Nygård's lawyers sent us copies of several emails, mostly from past and current employees, praising their boss. As it happens, we'd already done background interviews with a number of those same people, and what's interesting is what they say in the emails is often quite different from what they told us on the phone, which we recorded.

For example, the email from someone who worked at Nygård Cay, calling Nygård truthful and compassionate, always helping people to be better, loved by women because he treats them with respect and honesty. But a few months before that same person told us that most employees, in his words, "couldn't take the verbal, mental and emotional abuse of working for Peter Nygård" and that he would only consider working for Nygård again himself if he were desperate.

Or what about this: an email, which proclaims, "I am proud to call Peter Nygård a true friend." We're withholding the name on it, but it supposedly was written by someone who had done business with Nygård for years. The problem is, when we contacted that person, he

told us he knew absolutely nothing about it. We also recorded that conversation.

MALE SPEAKER: Did you send this email or ...?

ANONYMOUS: No, no, not -- I didn't myself, it's from me?

MALE SPEAKER: Yeah, it's signed by you. I can read a bit to you if you want.

ANONYMOUS: Sure.

BOB MCKEOWN: Here's his response after we read the email.

MALE SPEAKER: It ends with,

"I'm proud to call Peter Nygård a true friend in both business and personal relationships."

ANONYMOUS: Huh. (laughter)

MALE SPEAKER: You never wrote this?

ANONYMOUS: No.

BOB MCKEOWN: And we recorded two other conversations in which that same person was emphatic that he had no knowledge whatsoever about the email praising Peter Nygård, but then the day after we told Nygård's lawyers about that we got a letter from another lawyer saying the person whose name is on the email calling Peter Nygård a true friend

now says he wrote it after all, despite the three telephone conversations we recorded in which he insisted he didn't.

ANONYMOUS: Huh. (laughter)

MALE SPEAKER: You never wrote this?

ANONYMOUS: No.

BOB MCKEOWN: So why would he and the others change their stories? All we can be certain about is this: that all those emails of support for Peter Nygård were forwarded to us by Nygård's lawyers.

The opening of his new store on Time Square may have been the best of Peter Nygård, lauded as the brilliant designer and businessman, admired for the jobs he creates and the money he donates.

ANAKAY ARCHER: You know, by no means is his treatment right and/or fair, but his talent is pure, his business savvy is right on par, you know, we can't take that away from him.

BOB MCKEOWN: But for those who have seen the other side, like Anakay Archer, the good of Peter Nygård makes it even harder to accept that bad.

ANAKAY ARCHER: He's done a lot, you know, I mean he's huge with the, you know, women's cure for cancer and, you know, and all that, you know, I mean putting up a public face and putting the money behind it and

knowing the person itself is two different things and that's Peter Nygård.

BOB MCKEOWN: Please stay with us, the Fifth Estate will be right back after this.

(advertisement break)

BOB MCKEOWN: This programme is our final story for this TV season. Now we start working on brand new ones that you'll see here next September. And don't forget, if you have any ideas or suggestions for the Fifth Estate just email us, go to our website at [cbc.ca/fifth](http://cbc.ca/fifth) and click on "Contact Us". For everyone here at the Fifth Estate, I'm Bob McKeown. Thank you for watching, we'll see you soon.

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# **EXHIBIT 4**



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Kai Falkenberg

11/18/2010 @ 1:00PM

## Peter Nygard Answers to No One

Tacoma, Wash. resident Paulette Robertson loves her \$16 Alia Feathertouch Pull-On polyester pants so much she bought ten pairs. Gloria Reed of Hot Springs Village, Ark. has six pairs in different colors. In Tucson "Ann" bought herself three pairs on Amazon.com because they're "very comfortable and wash well."

These polyester phenoms come from a \$1 billion (purported sales), privately owned company called Nygård International, the largest producer of women's apparel in Canada. Never heard of it? Neither has Deborah Weinwig, a retail analyst for Citigroup, or Gabriele Goldaper, an apparel-and-textile consultant in Marina del Rey, Calif.—the same town where Nygård has corporate offices. Though headquartered in Winnipeg, the company has been selling modestly priced women's wear in America for 30-plus years and is now in 30 states, including in many Dillard's stores. Nygård International has global reach with 12,000 employees and offices in Canada, the U.S., Hong Kong and C

Who is the man behind the pants? Peter J. Nygård, a lion-maned im from Finland, now in his late 60s, who started the company with a few thousand bucks in 1967 by buying a small women's clothesmaker. T according to Canadian Business, he's worth \$877 million. "He's been a partner," says Alex Dillard, president of the women's chain, on an 11-minute video tribute to the founder on nygard.com. "He's changed the way I think about the retail business." How exactly? Dillard's declined a request for an interview. So did Nygård's big Canadian partner, Sears—and Nygård himself.

You get one view of this fashion mogul by going to his website and reading its highly selective press clips and fulsome testimonials from industry leaders and aging stars. It's a classic britches-to-riches saga of the self-made entrepreneur (and workaholic) "who has created a standard of excellence for the Canadian Women's Fashion Industry," according to nygard.com's hagiographic account. The site emphasizes his \$2-million-a-year donations to breast cancer research.

You get quite another view by following the decades-long trail of legal controversies. Among other things, Nygård has been accused of abusive labor practices, tax evasion, sexual harassment and rape. (He has also been called



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the Hugh Hefner of Canada.) Punching back hard, he has sued his accusers and intimidated his critics with a small army of lawyers. “No one has ever disobeyed my orders and gotten away with it!” he once raged, according to the testimony of a former business partner. Controlling 100% of his company, Nygård calls all the shots. He is accountable to no one.

Nygård’s board consists of himself and two division presidents. “He’s not practicing good governance—but he doesn’t have to” as a private company, says Don Delves, a Chicago consultant to CEOs. (Citing the company’s private status, a Nygård spokeswoman declined to respond to most inquiries and would not comment on any litigation.)

Born in Helsinki, Nygård moved with his family at age 10 to Winnipeg, where they lived in a 15-foot-by-13-foot converted coal bin. After getting a business degree from the University of North Dakota, he went into the apparel business, eventually taking over Nathan Jacobs, a struggling clothingmaker. These days Nygård produces apparel under ten brand names, selling to retail chains like Sears and the Bay in Canada and Dillard’s in the U.S., and operating 200 of its own stores north of the 49th parallel and 1,500 “soft shops” in department stores worldwide. Sixty cents of every revenue dollar comes from sales outside Canada. More recently Nygård has expanded beyond apparel to sell licensed products like footwear, accessories and jewelry.

The company has adroitly exploited information technology. It developed software that links manufacturing with a network of Nygård’s retail accounts to keep them fully stocked at all times; reorders are shipped the same day. Another system inputs information and spits out the most efficient use of pattern and material, reducing fabric-cutting time from weeks to minutes. Some of that high-tech dazzle is on display in Nygård’s flagship fashion concept store in New York City’s Times Square, which opened in November 2009. An outside sign spells out his name in seven-story-high blue lights. Inside there are Saturn rings and rotating chrome mannequins, and an iLounge, where customers can watch fashion shows on huge digital screens and gaze at the “me-with” wall featuring Nygård with VIPs like Pamela Anderson and 1970s supermodel Beverly Johnson. Guests at the opening party included Finland’s UN ambassador and Ramona Singer of The Real Housewives of New York City.

The store is steps away from Nygård’s world headquarters, which houses its research and design studios. Across the street is the site of his turbulent entrée into the U.S. in 1978 through the contentious takeover of a leading sportswear designer’s business. Struck between Nygård and Nancy Ebker, the deal resulted in a legal battle that lasted 12 years in New York federal court. Ebker testified that she and Nygård had orally agreed to a 50-50 partnership in which he would kick in \$700,000 to finance the design and production of two sportswear lines out of her existing showroom. (Ebker says Nygård discouraged her pursuit of a written agreement, telling her that involving lawyers would be a “big mess.”) Within months of the closing Nygård fired Ebker, took over the offices and threw her out.

Ebker is still fuming. “He literally ruined my life,” she says. Ebker claimed in court testimony that in their heated final conversation Nygård told her, “I have all your patterns, I have everything. I own everything. . . . I never intended to put anything in writing. . . . You have nothing, and I am a

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millionaire.” “Let’s try to reason,” she said she interjected. To which Nygård responded, “If you don’t have \$1 million by Friday, I am going to see to it that your name and reputation are totally destroyed in this market.”

Nygård told the court a different story, saying the two had a calm conversation in which he suggested they amicably part ways. The judge found Ebker to be “highly credible” and deemed Nygård “evasive,” “insincere” and “utterly lacking in credibility.” “We deplore the unseemly conduct of Nygård,” Judge Irving Cooper wrote but ultimately ruled that Ebker failed to prove she was damaged by his actions. Nygård’s counterclaim was also dismissed. Ebker, who calls him “a true villain of the world,” is writing a book about the case.

Allegations of sexual harassment have dogged Nygård for years. An investigative news program, aired by the Canadian Broadcasting Company in April, dredged up recent claims by former employees, many of whom focused on his alleged fiery temper. A former stewardess on his private plane told of one incident in which Nygård was accompanied by a bevy of topless women. At one point midflight, she recalls, Nygård, wild-haired and with his bathrobe open, began berating her co-worker, yelling, “You are nothing! You are garbage!” When the stewardess tried to calm him down, he screamed, “I am God! Do you not understand!?” Even after the security director intervened, she claims, Nygård continued to rage, shouting: “This is my plane. I can do whatever the hell I want!” Nygård told the CBC the incident never happened.

Even before the program aired, Nygård sued the CBC in New York for copyright infringement for taping video of a company fashion show. That case was dismissed in March. He also sued the broadcaster and ex-Nygård employees interviewed for the program in Canada. That suit, in which Nygård claims the CBC induced current and former employees to breach their employment contracts, is ongoing.

In the late 1990s Nygård paid to settle three sexual harassment complaints filed by former employees with the Manitoba Human Rights Commission. Since the cases were not adjudicated, the commission wouldn’t release the records. But the local paper, the Winnipeg Free Press, published two articles detailing the complaints. According to the paper, one of the women, a 27-year-old travel coordinator, said she “repeatedly brushed off Nygård’s touches and sexual advances.” Another, a 39-year-old communications manager, claimed that Nygård added skinny-dipping to the agenda of a business meeting. While in the Bahamas, where Nygård maintains a home and office on a huge estate, Nygård “frequently was grabbing himself (wearing a very small bathing suit),” her complaint alleges, according to the Free Press. When called to his office, “I would find him in a state of undress (pants open, no shirt) or with his hand down the front of his pants fondling himself.”

Nygård’s lawyer claimed the women filed complaints as leverage to get better severance and that the company settled to avoid the cost of litigation. Nygård himself told the Free Press he knew nothing about the complaints and later threatened a defamation action against the paper, the reporter and his former communications manager for publishing the accounts. (The Free Press reporter doesn’t recall a defamation suit.) He also faced a sexual harassment suit in 1996 from a Los Angeles employee, who claimed that, against her wishes, “she spent the night in Peter Nygård’s bed and engaged in sexual intercourse with him.” She later rejected his advances, she claims, and eventually was terminated. The case was dismissed.

Back in 1980 the Free Press reported that Nygård had been charged by Winnipeg authorities with raping an 18-year-old girl. (Canadian officials declined to comment on the charges.) Those charges were dropped months later when the complainant refused to testify at a preliminary hearing. According to the paper, Nygård said the police had “used ‘poor judgment’ in investigating the case and added that the whole matter could have been avoided had they adopted a more responsible attitude.” He told the Free Press that he planned to establish a foundation to finance work to improve the quality of the Canadian judicial system. Says a Nygård spokeswoman, “We have not heard of this charge.”

Nygård has also gotten into embarrassing workplace disputes with employees. In late April the National Labor Committee (NLC), a private group in Pittsburgh, issued a report claiming that Nygård pants from its Alia line were being sewn in a Jordanian sweatshop. The factory in Al Zarqa, the report says, employed 1,200 guest workers from Sri Lanka, Bangladesh and India who had “been trafficked to Jordan, stripped of their passports and held under conditions of indentured servitude.” According to the investigation, women were forced to work 15-hour shifts, seven days a week, and were paid half the wages they were owed. A Nygård spokeswoman says a government inquiry found no truth to the allegations. But since the report, the NLC says, factory conditions have improved significantly; passports have been returned and workers now get Fridays off.

In 2003 an American couple sued Nygård in Florida for allegedly tricking them into accepting jobs as managers of his estate in the Bahamas. The couple claimed Nygård routinely flouted Bahamian immigration laws by failing to obtain work permits for employees. They also alleged he mistreated workers by fining them for petty infractions. Nygård had previously sued the couple in the Bahamas for defaming him by using confidential documents they took from the estate. He disputed the allegations in the Florida case but settled in 2007.

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In a deposition taken in that case, Nygård conceded that employees at his estate are fined for lateness and poor-quality work. Following company policy, those penalties are supposed to be deducted from quarterly bonuses. But in the Bahamas they were deducted from some employees’ weekly pay: \$25 fines were common for such offenses as leaving a dirty glass on a beach cabana, not having Nygård’s room cool enough when he arrived and for the presence of houseflies in the grand hall.

Executives at Nygård corporate offices live under a similar threat of penalties. For example, the employment contract of Normand Neal, a former vice president, advised that after receiving “full indoctrination,” including so-called Basic Policy Framework Training, he would be subject to a fine equal to 5% of his bonus for violations of company policies. Neal was fired; he later sued for breach of his employment agreement; Nygård countersued and the case was settled.

But Nygård fought back hard against a seminal employment case filed by Sharon Michalowski, a store supervisor in Winnipeg. Claiming that she was compelled to work 16-hour days, Michalowski sued for 280 hours of overtime. The company argued she was a salaried manager who was not entitled to overtime. In a landmark ruling in 2007 the Supreme Court of Canada rejected that claim, upholding the Manitoba Employment Board’s decision that

managers with limited supervisory responsibilities must be paid overtime.

While the company has gotten entangled by many claims of harassment and wage violations, the most spectacular legal battles involve Nygård's personal life. Married briefly in the 1970s to a model, Nygård went on to have seven children with four different women. Kaarina Pakka, a former stewardess, fought him for years in Ontario courts for child support for their then teenage son. Nygård argued the amount she sought was excessive and would destroy the child's work ethic and give him a case of "affluenza." In an interim order he was forced to pay \$9,500 a month, then a record-breaking amount. The case was finally settled in 2004.

Nygård has had a string of female companions. Some, like the late Playboy Playmate Anna Nicole Smith, also did fashion work for the company. Nygård dated Smith from 1998 to 2001. In 2007, after her fatal overdose, he appeared on the Montel Williams Show and told the audience of his desperate efforts to get her off drugs.

He met Smith at the Los Angeles Oscar party he has cohosted annually. Known as the "Night of a Hundred Stars," the glitzy event is staged simultaneously with the Oscar broadcast in the ballroom of the Beverly Hills Hotel. It's intended as a gathering for former award winners, but its tendency to draw B-list celebs prompted TV Guide Online to christen it the "Night of 100 Has-Beens."

The party is a touchy subject for Nygård. In 1999 he filed a defamation suit against Linda Lampenius for saying that he "deliberately hired celebrity lookalikes" for his "world-famous" Oscar party and "thereby defrauded the entertainment industry and international press." Lampenius is a Finnish violinist and model whom Nygård put up for a week and introduced to entertainment industry executives in the spring of 1997. (As Linda Brava, she appeared on the cover of Playboy in the May 1998 issue.) Nygård claimed that after helping launch her career, Lampenius turned on him and defamed him in the Finnish press. In a May 1998 letter from Nygård's attorney Lampenius was ordered to stop saying that "no women should go with Nygård" and that she needed her manager as "protection" during her stay at his house. When Lampenius refused, Nygård sued her in Los Angeles Superior Court. The case was settled three years later with Lampenius agreeing to print a full-page apology in the Finnish press.

In 2008 another woman—a former girlfriend—complained about an incident at Nygård's Marina del Rey residence. She sued him in Los Angeles Superior Court for slamming a bedroom door shut on her hand. Nygård settled the case shortly after it was brought.

Perhaps his loudest legal ruckus of late has roared out of the Bahamas. In 1987 Nygård bought a 4.5-acre estate on a peninsula near the Waspie enclave of Lyford Cay. A decade later he built the place into what he calls his "dream home": a 150,000-square-foot Mayan-style resort featuring 12 themed cabanas, volcanic smoking temples, a helipad, a disco, a casino and a human aquarium (with sharks on one side of the glass). The spread has been featured on *Lifestyles of the Rich and Famous* (Robin Leach is a friend) and has hosted the likes of Robert De Niro, Oprah, Michael Jackson, Prince Andrew and George H.W. Bush. Nygård now spends six months a year at his resort.

That has led to multiple run-ins with Canadian tax authorities. Since his move to the Bahamas, Nygård, a Canadian citizen, has claimed to be a nonresident and therefore not subject to tax on income generated outside Canada. The tax ministry challenged that status in its most recent audit in 2006, claiming Nygård owed an additional \$15 million in taxes. Nygård contested the assessments, arguing he severed residential ties with Canada in 1975, and ultimately prevailed—but he was subject to taxes on an additional \$2 million in income.

A confrontation with a fellow tycoon and Lyford Cay neighbor continues to gather hurricane strength. The chief complaint: that Nygård is operating a commercial resort in a residential community; ads offer to rent the place for \$40,000 a night. His closest neighbor, billionaire Louis Bacon, who runs hedge fund Moore Capital, has borne the brunt of it. (Bacon bought the Forbes' family ranch, Trinchera, in 2007.) For years Bacon complained about the noise coming from wild parties Nygård routinely hosted at his resort. As Nygård himself explained in a 2007 deposition, the bashes (which he calls "pamper parties") are a Sunday afternoon tradition both at his Marina del Rey location and at Nygård Cay. "We have been running these parties for about 15 years," he said. "We start sports activities in the afternoon and play beach volleyball and have dinner and a bit of karaoke and dancing and massaging." The attendees are local women; dancers are treated to smoke-emitting floors with recessed flashing lights and cameras that shoot them from below.

Fed up with the loud music, Bacon installed industrial speakers on the boundary of his property in October 2009 to deflect the noise back to Nygård Cay. Then in November, at the same time Nygård was opening his flagship New York store, a huge blaze tore through his estate, reportedly the result of an electrical malfunction. Nygård vowed to invest \$50 million into rebuilding the compound. But a letter from the Bahamian prime minister's office in July rejected his construction application, citing the improper expansion of his property through intentional accretion of land over the seabed. A week later Bahamian police officers raided Bacon's home, handcuffed and searched his staff, and confiscated the speakers based on a tip suggesting they were "ultrasonic weaponry." (The speakers were returned after police confirmed they were not military-grade.) Bahamian papers blamed the raid on Bacon's dispute with Nygård, which spilled into the courts in August when both sides sued each other, claiming easement violations, among other things.

Bacon is no patsy. In September the U.K.'s Daily Mail dubbed him "a hedge fund Godfather," referring to his "omnipotent status" in finance and his penchant for armed guards; the paper was forced to retract the story and print an apology. For once Nygård seems to have taken on an adversary every bit as powerful as he.

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# **EXHIBIT 5**



# Peter Nygard boasts possible immortality in Bahamas

Former Winnipeg fashion icon makes stem cell research claims from Bahamas

CBC News Posted: Feb 28, 2014 4:25 PM CT | Last Updated: Mar 01, 2014 12:43 PM CT



Peter Nygard boasts possible immortality in Bahamas 2:13

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He also lobbied the local government to create legislation that would further his research.

Now, Nygard claims he is "reverse aging."

"Look at my before and after pictures," he says in the video. "I've gone from anti-aging to reverse aging."

According to Nygard, his doctors made a scientific breakthrough and turned his skin cells into embryonic stem cells.

"From the woman's egg, we took out her DNA, put my old 70-year-old DNA in its place [and] grew it in vitro," he says in the video. "I may be the only person in the world who has my own embryonic stem cells growing in a petri dish."

Then, Nygard makes his boldest claim:

"This is huge. This is a game changer. This could eliminate all disease. This perhaps is immortality," he says.

But University of Manitoba ethics professor Arthur Schafer has his doubts. He has been following stem cell research since scientists first cloned a sheep in the late 1990s.

"There is no magic stem cell cocktail that you can drink or inject into your arm that will make you look younger or healthier or that will help you live longer," he said.

Schafer said there is an ethical debate around the use of stem cells as well.

He said he fears a day when the stem cell science becomes the sole domain of the wealthy to enhance their physical and mental abilities.

"The use of stem cell technology to create super men and wonder women has many people feeling uneasy," he said.

Schafer said despite his concerns, Nygard's video could spark important debate on the ethics of using stem cells for a variety of purposes.

CBC tried to contact Nygard Friday. We were told he was unavailable for comment.

■ Woman, 20, dies in motorcycle crash north of Winnipeg

**Page 48 of 59**

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- Rural Manitoba couple selling scrap metal to help

# **EXHIBIT 6**

# BUSINESS

THE TRIBUNE • SECTION B • [business@tribunemedia.net](mailto:business@tribunemedia.net)

WEDNESDAY, APRIL 17, 2013

## NYGARD EYES \$30M STEM CELL FACILITY

- Pledges 'revolutionary treatment facility' at Nygard Cay, with up to 125 Bahamian construction jobs
- But location likely to arouse ire of Coalition, Lyford Cay Property Owners Association
- QC warns Gov't over any 'secret' medical facility/ Crown Land deal trade-off

By NEIL HARTNELL  
Tribune Business Editor  
[nhartnell@tribunemedia.net](mailto:nhartnell@tribunemedia.net)

FASHION tycoon Peter Nygard is planning to invest between \$25-\$30 million in constructing a stem cell research-focused medical facility at his Lyford Cay home, Tribune Business can reveal, a project that could employ between 100-125 Bahamians in the construction phase.

Confidential minutes of a meeting between Mr Nygard and Bahamas Investment Authority (BIA) officials, which have been obtained by this newspaper, detail the Canadian multi-millionaire's

plans to add commercial uses to his Simms Point/Nygard Cay home.

It appears he has already begun to put those plans into action, as recent photographs of Nygard Cay taken by members of the Coalition to Protect Clifton Bay show that construction work has begun on what looks like a spa-type building (see picture here).

But, while Mr Nygard's plans received a big boost last week from the Government's decision to table legislation that aims to provide a regulatory framework for stem cell research in the Bahamas, his

See PG 84



ONGOING construction on Nygard Cay construction of spa

# NYGARD EYES \$30M STEM CELL FACILITY

Case 1:14-mc-00258-DLC

Document 11-1

Filed 08/14/14

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From pg B1

opments by Tribune Business.

activities are again likely to trigger potential conflict with his neighbours.

Lyford Cay is zoned as a residential, not commercial, area, and the medical/stem cell plans are likely to give its Property Association and neighbours - including hedge fund magnate, Louis Bacon, with whom Mr Nygard has been embroiled in an ongoing feud - cause for further unhappiness.

And Fred Smith QC, the Callenders & Co attorney and partner, also made the organisation's concerns plain when contacted about devel-

tion tolerate a manoeuvre by the Government to promote similar resolutions which will give Mr Nygard permits for Crown Land and to 'grandfather in' his past and current activities.

"Lyford Cay is a residential neighbourhood, and is not a commercial/medical tourism spot."

The proposed stem cell/medical facility thus appears likely to act as the latest flashpoint in the increasingly public dispute between the Coalition and its members (including Mr Bacon) on one hand, and Mr Nygard and his supporters on the other.

The meeting between Mr Nygard and his team, which included Carlos Mackey and Melissa Hall, and the BIA officials took place on June 19, 2012, just over one month after the general election.

The BIA officials present included Sir Baltron Bethel, described as a 'senior policy

adviser', and then-permanent secretary in the Prime Minister's Office, David Hepple.

The meeting, according to the report, was held so Mr Nygard could brief the Government on plans to restore the parts of Nygard Cay destroyed by fire, and to "introduce the concept for his proposed Medical Spa Facility which will specialise in stem cell research and treatments".

The report added: "With respect to the overall vision for the proposed project on Nygard Cay, Mr Nygard explained that he intends to invest approximately \$50 million - \$25-\$30 million designated to restore Nygard Cay, and \$25-\$30 million will be invested in building the medical/health spa facility."

The BIA notes said clients for the medical facility/spa would "flow from all over the world".

It added: "The concept is

to introduce anti-aging, age reversing treatments using stem cells. He [Nygard] opined that stem cell treatment could also assist with many incurable diseases....

"Mr Nygard mentioned that his vision would be put together in an environment where the Bahamas can practice the most advanced medicine in the world, and do it within the regulatory lines of the Government."

The BIA report said Mr Nygard promised the facility would host "top doctors" providing treatments not found in the US, once it was licensed.

"Within this facility will be offered stem cell banking and the banking of body tissue for medicine and treatments," the notes added.

"Nygard noted that this facility would combine research and treatment. As a result of the investment, he could provide a revolution-

ary treatment facility.... The proposed project will introduce the concept of collecting stem cells and expanding them to replenish and reboot the body a minimum of four times a year."

The BIA report revealed that the stem cell/medical facility would be based "in the same location as Nygard Cay", and that its owner "envisioned the Bahamas would be a magnet for medical tourism".

The Canadian fashion mogul, according to the BIA report, said work permits would be required for Chinese construction workers to build the facility - a requirement that will be interesting going up against the Government's new work permit policy.

Some 100-125 Bahamian construction workers would also be required, the report added.

# **EXHIBIT 7**

**This exhibit is an .MP4 file**

# EXHIBIT 8

**This exhibit is an .MP4 file, a copy of which is included on the disk appearing at Exhibit 7.**

# **EXHIBIT 9**

« Prince Calls Out Racial Divide In The Industry...

Kid Cudi Bummed Out by Kanye's 'Guilt Trip' »

## Peter Nygård's Sadist Wrath Caught On Camera!

February 27th, 2014



It's NOT Better In The Bahamas If Nygård's Around ([EXCLUSIVE VIDEO](#))...

**HSK Exclusive** - If you think you have a horrible boss, count yourself lucky you've never worked for Peter Nygård. Know why? Not only can we confirm the **deviant billionaire** clothing tycoon is a Sadist of a man who seems to delight himself on humiliating employees — HSK has also exclusively obtained [video footage](#) featuring Peter Nygård and his crazed antics in action!!!

For the very first time the world gets a glimpse of Nygård's "workplace bullying and harassment," [reported by 'The Fifth Estate'](#) back in 2010. But hearing the troublesome stories from Nygård's ex-employees, and seeing exactly what they were talking about, are two completely different experiences.

In this first video (one of many the many we've obtained), Nygård's reported [bodyguard](#) of 15-years, Leo Thurston — who is said to also 'recruit females' for **Nygård's infamous harem** — feels the wicked wrath of what could be a Devil-possessed Peter!

Dig the drop on this footage, secretly filmed at the Bahamian compound known as Nygård Cay:

"No one is allowed to leave the Cay without getting Peter Nygård's permission. Guests and visitors don't know that until they try to leave.

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## WHO'S JACKY TALKING ABOUT

Who's Jacky Talking About? – June 20, 2014 He's said to have long been known to "secretly tape" his smash sessions. Don't believe me... Just ask Teyana Taylor's mom, Nikki. And we're told... one famous shower-hanger wasn't immune ...

Who's Jacky Talking About? – June 18, 2014 The past of this peach-gone-sour has caught up with her! A source spills word that this almost-a-Housewife was once "pulling tricks for her pimp Rasheed 'Ralo' Wonder." We're told... one ...

Who's Jacky Talking About? – June 16, 2014 "All her ex-lovers are under gag orders. When they leave her, they leave with next to nothing." She'd have you believe she's still a grounded chic from the block, but insiders ...

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Leo Thurston is the one who Mr. Nygård sends to stop them."

In this next video-documented incident, a construction worker is scolded like a child... for doing very the job he was hired to complete on Nygård's property:

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Be sure to check back with us as there is much more about Nygård to come...

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## Farrakhan In His Own Words

### On Whites

"All of us are under Israel. All of us, black people, brown people, yellow people, are under the rule of the Caucasian people and all of the races have been affected by their rule."

Speech at Mosque Maryam, Chicago, 10/3/10

"God has come after the children of Israel. You are not now the children of God, you are the children of Israel. You are not made now in the image and likeness of God, you are made in the image and likeness of White people who have conquered you and mastered you and made you into themselves."

Speech at Mosque Maryam, Chicago, 10/3/10

"The architecture of white supremacy has never been brought to the table to be discussed. The architecture of white supremacy will have to be exposed."

Speech in Atlanta, 6/26/10

"It is difficult for white people to submit to black leadership because they were given dominion. And even though they act like they are submissive you have to be careful because they are always looking for a way to undermine any black man that rises in authority."

Speech in Atlanta, 6/26/10

"The White right is trying to set Barack up to be assassinated...Here are Christians praying for God to kill Barack Obama."

Saviours' Day, Rosemont, Illinois, 2/28/10

"I heard from a very reliable source that under that levee there was a 25 foot hole, which suggested that it may have been blown up, so that the water would destroy the black part of town, and where the whites lived, it would be dry."

Remarks at Shelter for Hurricane Katrina Victims, Charlotte Coliseum, Charlotte, North Carolina, 9/12/05

"Katrina should have taught us that the government of the United States is not our friend. Katrina should have shown us the cold-hearted nature, not of white people, but the cold-hearted nature of the rulers. There are white people who want to see something good done. But they are hamstrung by white people who



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Farrakhan on Whites  
don't want to see something good done."

Saviours' Day, Chicago, Illinois, 2/26/06

White people are potential humans...they haven't evolved yet."

Philadelphia Inquirer, 3/18/00

According to a journalist's account, "Farrakhan called 'the white man' the 'anti-Christ' to rousing applause."

Jackson, MS, 9/19/97, Clarion-Ledger, 9/21/97

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